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**KEDM**  
**A PUBLIC TELECOMMUNICATIONS ENTITY**  
**OPERATED BY**  
**THE UNIVERSITY OF LOUISIANA AT MONROE**

*Financial Statements*  
*For the Years Ended June 30, 2009 and 2008*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/16/09



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A PUBLIC TELECOMMUNICATIONS ENTITY  
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JUNE 30, 2009 AND 2008

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
University of Louisiana at Monroe:

We have audited the accompanying statements of financial position of KEDM (A Public Telecommunications Entity operated by University of Louisiana at Monroe) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KEDM as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
November 5, 2009

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE  
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2009	2008
<u>ASSETS</u>		
Claim on Cash	\$ 39,096	\$ 260,077
Accounts Receivable	115,377	14,285
Equipment, Net	485,245	118,047
<u>TOTAL ASSETS</u>	<u>\$ 639,718</u>	<u>\$ 392,409</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 41,108	\$ 61,526
<u>NET ASSETS</u>		
Temporarily Restricted	78,318	156,014
Unrestricted	520,292	174,869
Total Net Assets	598,610	330,883
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 639,718</u>	<u>\$ 392,409</u>

The accompanying notes are an integral part of these financial statements.

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE  
STATEMENTS OF ACTIVITIES

	For the Years Ended June 30.	
	<u>2009</u>	<u>2008</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions		
Underwriting	\$ 75,159	\$ 66,855
Membership	60,904	51,264
Special Events and Other	41,334	-
LETA Cooperative Endeavor Income	14,285	28,570
Support Provided by the University of Louisiana at Monroe	<u>277,923</u>	<u>292,733</u>
Total Unrestricted Revenues & Gains	469,605	439,422
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	<u>474,228</u>	<u>136,961</u>
Total Unrestricted Revenues & Gains, and Other Support	943,833	576,383
<u>Expenses</u>		
Advertising	360	-
Depreciation	12,372	12,813
Dues & Subscriptions	134,328	136,885
Maintenance	5,327	364
Materials & Supplies	6,859	11,725
Occupancy	73,622	68,505
Other	16,449	13,845
Postage & Shipping	1,864	1,953
Printing	176	-
Professional Fees	7,500	13,182
Salaries & Wages	300,436	322,356
Telephone	587	771
Travel	5,316	14,353
Utilities	<u>33,214</u>	<u>30,396</u>
Total Expenses	598,410	627,148
Increase (Decrease) in Unrestricted Net Assets	\$ 345,423	\$ (50,765)

**KEDM**  
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**STATEMENTS OF ACTIVITIES (continued)**

	For the Years Ended	
	June 30,	
	2009	2008
<u>Changes in Temporarily Restricted Net Assets</u>		
Corporation for Public Broadcasting - Community Service Grant	\$ 109,496	\$ 113,691
Corporation for Public Broadcasting - Digital Radio Conversion Grant	52,500	52,500
Corporation for Public Broadcasting - RLAIIF Grant	19,159	19,500
Public Telecommunications Facilities Program Grant	115,377	-
Allocation from State of Louisiana	100,000	-
Net Assets Released From Restrictions	(474,228)	(136,961)
Increase (Decrease) in Temporarily Restricted Net Assets	(77,696)	48,730
<u>Increase (Decrease) in Net Assets</u>	267,727	(2,035)
<u>Net Assets at Beginning of Year</u>	330,883	332,918
<u>NET ASSETS AT END OF YEAR</u>	\$ 598,610	\$ 330,883

The accompanying notes are an integral part of these financial statements.

KEDM  
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STATEMENTS OF CASH FLOWS

	For the Years Ended	
	June 30,	
	2009	2008
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ 267,727	\$ (2,035)
Adjustments to Reconcile Change in Net Assets for the year to Net Cash Provided by Operating Activities:		
Depreciation	12,372	12,813
Increase in Accounts Receivable	(101,092)	(6,286)
Increase (Decrease) in Accounts Payable	(20,418)	60,722
Total Adjustments	(109,138)	67,249
Net Cash Provided by Operating Activities	158,589	65,214
 <u>Cash Flows From Investing Activities</u>		
Purchase of Equipment	(379,570)	(827)
 <u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(220,981)	64,387
 <u>Claim on Cash at Beginning of Year</u>	260,077	195,690
 <u>CLAIM ON CASH AT END OF YEAR</u>	\$ 39,096	\$ 260,077

The accompanying notes are an integral part of these financial statements.

KEDM  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

Note I. -Summary of Significant Accounting Policies

A. Organization

KEDM (the Station) is a noncommercial radio station operated by the University of Louisiana at Monroe. The Station adheres to the standards of accounting and reporting as described in Principles of Accounting and Financial Reporting for Public Telecommunication Entities published by the Corporation for Public Broadcasting.

B. Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis. The significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader.

C. Basis of Presentation

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

A description of the three net asset categories follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Station and/or the passage of time. There were \$78,318 and \$156,014 in temporarily restricted net assets at June 30, 2009 and 2008, respectively.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Station. Generally, the donors of these assets permit the Station to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2009 and 2008, respectively.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Revenue Recognition

Membership contributions and support from the University are recorded as revenue in the Statement of Activity when received. Restricted gifts and grants are recorded as revenue in the Statement of Activity to the extent that they have been expended for the purpose specified by the donor or grantor during the period.

F. Donated Facilities and Administrative Support

Donated facilities and administrative support from the University consist of office and studio space and an allocation of costs and certain other expenses incurred by the University on behalf of the Station.

Note 2 - Property and Equipment

Fixed assets are stated at cost when purchased or constructed. If acquired by gift, they are recorded at an objective, verifiable basis which is, in the judgement of Station management, a fair value for the Station's purposes (no independent third party appraisal is obtained). Expenditures for repairs and maintenance are charged to operating expense as incurred. Fixed assets are depreciated using the straight-line method over the estimated useful lives (5-30 years) of the individual assets. Depreciation expense amounted to \$12,372 and \$12,813 in 2009 and 2008, respectively.

Net property value at June 30, 2009 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	57,994	48,330	9,664
Radio Tower	240,000	145,333	94,667
Transmitter and Digital Equipment	251,929	-	251,929
Antenna and Transmission Line	127,641	-	127,641
Electronic Equipment	<u>438,869</u>	<u>437,525</u>	<u>1,344</u>
<u>TOTAL</u>	<u>\$ 902,791</u>	<u>\$ 644,276</u>	<u>\$ 485,245</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

Note 2 - Property and Equipment (Continued)

Net property value at June 30, 2008 was as follows:

	<u>At</u> <u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	57,994	44,763	13,231
Radio Tower	240,000	137,333	102,667
Electronic Equipment	<u>438,869</u>	<u>436,720</u>	<u>2,149</u>
<u>TOTAL</u>	<u>\$ 749,951</u>	<u>\$ 631,904</u>	<u>\$ 118,047</u>

Note 3 - Cooperative Endeavor Agreement

In August 2007 a cooperative endeavor agreement was made between the Louisiana Educational Television Authority of the State of Louisiana (LETA) and KEDM. The purpose of this agreement is the support of public radio broadcasts for the citizens of the State of Louisiana, including the use of such broadcasts for instructional, educational, and cultural purposes, in accordance with the requirements of the station as a public broadcasting entity licensed by the Federal Communications Commission.

The amount received in 2009 under the Cooperative Endeavor Agreement was \$14,285. The amount of the 2007 Cooperative Endeavor Agreement was for \$14,285 and was received in the 2008 fiscal year. The 2008 Cooperative Endeavor Agreement was for \$14,285 and received after the fiscal year end; this amount was accrued as accounts receivable at June 30, 2008, bringing the 2008 total amount to \$28,570.

Note 4 - Digital Conversion Project

KEDM completed two major capital projects during the fiscal year ended June 30, 2009. The first consisted of a power increase from 87.1 kilowatts to 100 kilowatts, funded by a federal grant from the Public Telecommunications Facilities Program, cooperative endeavor agreements administered by the Louisiana Educational Television Authority controlling the distribution of state funds, and locally-raised private funds. The second capital project consisted of the conversion of KEDM's transmission facilities to enable digital broadcasts, funded by a grant from the Corporation for Public Broadcasting, a special allocation from the State of Louisiana, and locally-raised private funds. A second phase of the digital conversion will continue into fiscal year 2010.